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TO: MARK RICHARDS
DEPUTY ASST. ATTORNEY GENERAL
CRIMINAL DIVISION
RM 2113. MAIN JUSTICE
DEPT. OF JUSTICE

FM: DANIEL A. BENT
UNITED STATES ATTORNEY
DISTRICT OF HAWAII

RE: PRESS RELEASE

FOLLOWING IS THE PRESS RELEASE BEING ISSUED TODAY ON THE REWALD CASE:

"A FEDERAL GRAND JURY SITTING IN HONOLULU, HAWAII, RETURNED A TWO-COUNT INDICTMENT CHARGING SUNLIN L.S. WONG, AGE 35, OF 916 PUEO STREET, HONOLULU, HAWAII, WITH ONE VIOLATION EACH OF THE FEDERAL MAIL FRAUD STATUTE (18 USC 1341 AND 2) AND SECURITIES FRAUD STATUTE (15 USC 77(Q)(A) AND 77(X) AND 18 USC 2).

"DAN BENT, UNITED STATES ATTORNEY FOR THE DISTRICT OF HAWAII SAID THAT THE INDICTMENT CHARGES THAT MR. WONG WAS PRESIDENT AND SECRETARY DIRECTOR AND 50% SHAREHOLDER OF BISHOP, BALDWIN, REWALD, DILLINGHAM AND WONG (BBRD&W) FROM ITS INCORPORATION ON OCTOBER 11, 1978, UNTIL ITS COLLAPSE IN AUGUST 1983. IN ITS 22-PAGE INDICTMENT THE GRAND JURY CHARGES THAT OVER A PERIOD OF APPROXIMATELY FIVE YEARS BISHOP, BALDWIN ENGAGED IN A SCHEME TO DEFRAUD INVESTORS AND SUCCEEDED IN OBTAINING APPROXIMATELY TWENTY TWO MILLION DOLLARS (\$22,000,000) FROM INVESTORS IN HAWAII, CALIFORNIA AND ELSEWHERE IN THE UNITED STATES AND FROM OTHER COUNTRIES.

"THE INDICTMENT FURTHER CHARGES THAT ONLY APPROXIMATELY SIX HUNDRED THIRTY THOUSAND DOLLARS (\$630,000) WAS EVER INVESTED AND THAT THE REMAINING APPROXIMATELY TWENTY ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$21,370,000) OF THE MONEY RECEIVED FROM INVESTORS WAS USED FOR THE FOLLOWING PURPOSES: 1) TO MAINTAIN RONALD R. REWALD IN AN EXCEPTIONALLY LAVISH LIFESTYLE, 2) TO PROVIDE THE DEFENDANT SUNLIN L.S. WONG WITH AN INCOME WHICH BY 1983 AMOUNTED TO ONE HUNDRED ONE THOUSAND SIX HUNDRED DOLLARS (\$101,600) PER YEAR AND OTHER BENEFITS, 3) TO PAY OTHERS WHO TOGETHER WITH THE DEFENDANT WONG AND OTHERS ENGAGED IN ACTIVITIES WHICH GAVE THE APPEARANCE OF SUBSTANTIAL INVESTMENT ACTIVITY BY BBRD&W WHEN IN FACT THE ACTUAL INVESTMENT OF INVESTORS' MONEY WAS VIRTUALLY NONEXISTENT, 4) TO PAY EARNINGS TO CERTAIN INVESTORS TO GIVE THE ILLUSION THAT INVESTMENTS HAD BEEN MADE WHICH PRODUCED EARNINGS, AND 5) TO CREATE AND MAINTAIN A FALSE FACADE OF A LEGITIMATE INVESTMENT ACTIVITY BY BBRD&W.

"THE INDICTMENT FURTHER CHARGES THAT AS PART OF THE SCHEME TO DEFRAUD, THE DEFENDANT, SUNLIN L.S. WONG AND OTHERS, REPRESENTED TO INVESTORS AND POTENTIAL INVESTORS THAT 'INVESTMENT SAVINGS ACCOUNTS' WHICH WERE OFFERED AS AN INVESTMENT BY BBRD&W, GUARANTEED INVESTORS A 20% RETURN ON 'INVESTMENT SAVINGS ACCOUNT' INVESTMENTS. ADDITIONALLY, SOME INVESTORS WERE ADVISED THAT MONEY THEY INVESTED IN 'INVESTMENT SAVINGS ACCOUNTS' WERE GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION AGAINST LOSS BY BISHOP BALDWIN UP TO A LIMIT OF ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000). INVESTORS WERE ALSO ADVISED THAT INTEREST CREDITED TO THEIR ACCOUNTS BUT NOT WITHDRAWN WAS NOT SUBJECT TO FEDERAL INCOME TAXATION.

"AMONG THE MISREPRESENTATIONS WHICH THE GRAND JURY FOUND THAT THE DEFENDANTS SUNLIN L.S. WONG AND OTHERS MADE CONCERNING BISHOP, BALDWIN, IN ORDER TO INDUCE INVESTORS TO INVEST AND REINVEST IN THE COMPANY ARE THE FOLLOWING: 1) THAT BISHOP, BALDWIN HAD BEEN IN HAWAII FOR 20 YEARS AND THAT PREDECESSOR FIRMS WENT BACK 65 YEARS, 2) THAT BISHOP, BALDWIN WAS ONE OF HAWAII'S OLDEST AND LARGEST PRIVATELY-HELD INTERNATIONAL INVESTMENT CONSULTING FIRMS, 3) THAT BISHOP, BALDWIN HAD GLOBAL INFLUENCE; 4) THAT BISHOP, BALDWIN HAD A STAFF OF ATTORNEYS AND ACCOUNTANTS AND CONSULTANTS WHO PROVIDED CERTAIN SERVICES 'EXPRESSLY CRAFTED TO FIT THE CLIENTS MOST EXACTING NEEDS,' 5) THAT BISHOP, BALDWIN GAVE BUSINESS ADVICE TO THE UNITED STATES SENATE, THE UNITED STATES HOUSE OF REPRESENTATIVE, THE WHITE HOUSE, EX-PRESIDENTS AND SAUDI ARABIAN PRINCES, 6) THAT BISHOP, BALDWIN COULD NOT ACCOMMODATE 90% OF THOSE WHO APPLIED TO BE CLIENTS, 7) THAT THERE WAS A TWO-YEAR WAITING LIST OF POTENTIAL CLIENTS, 8) THAT THE AVERAGE INVESTOR WAS WORTH FOUR MILLION DOLLARS (\$4,000,000), 9) THAT BISHOP, BALDWIN USED CLIENTS INVESTMENT MONEY TO MAKE PRUDENT INVESTMENTS AND LOANS, AND 10) THAT BISHOP BALDWIN DEALT IN SECURED, SAFE, NON-RISK INVESTMENTS.

"IF CONVICTED, WONG FACES A MAXIMUM PENALTY OF 10 YEARS IMPRISONMENT AND A FINE OF ELEVEN THOUSAND DOLLARS (\$11,000).

"MR. BENT SAID THAT THE FEDERAL BUREAU OF INVESTIGATION AND THE INTERNAL REVENUE SERVICE HAVE DONE AN EXCELLENT JOB IN THE INVESTIGATION OF THE CASE THUS FAR WHICH HAS INVOLVED INTERVIEWING HUNDREDS OF WITNESSES AND THE EXAMINATION AND MANY THOUSANDS OF RECORDS.

"BENT ALSO COMMENDED THE ASSISTANCE OF JOHN F. PEYTON, JR., ASST. U.S. ATTORNEY AND THEODORE S. GREENBERG, SPECIAL ASST. U.S. ATTORNEY, IN THEIR WORK ON THE CASE TO DATE.

"MR. BENT STATED THAT THE INVESTIGATION BY SEVERAL FEDERAL LAW ENFORCEMENT AGENCIES IS CONTINUING."

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* MESSAGE RETRIEVED BY DOJMS

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TIME: 18:22 06/14/84 ???

M.R. 6/15/84